

TUP Capital Inc.
Unaudited Condensed Interim Financial Statements
Three months and Nine ending November 30, 2022
(unaudited)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the unaudited interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors. They have not been reviewed by the Company's auditors. The accompanying unaudited interim condensed consolidated financial statements have been prepared by and are the responsibility of management. These unaudited interim condensed consolidated financial statements are presented on the accrual basis of accounting and accordingly, a precise determination of many assets and liabilities is dependent upon future events. Where necessary, management has made informed judgements and estimates in accounting for these assets and liabilities and for transactions which are not complete at the end of the reporting period. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these unaudited interim condensed consolidated financial statements have been fairly presented.

TUP Capital Inc.

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TUP Capital Inc.

Unaudited Condensed Interim Statements of Financial Position

(in Canadian dollars)

As at

November 30, 2022

February 28, 2022

Assets

Current

Cash	55,616	178,607
Short term investments (Note 5)	500,000	551,211
Prepaid expenses	-	-
	555,616	729,818

Liabilities

Current

Accounts payable and accrued liabilities	-	65,875
	-	65,875

Shareholders' Equity

Share capital (Note 7)	806,607	806,606
Contributed Surplus (Note 7)	106,434	106,434
Warrants (Note 7)	55,676	55,676
Retained Earnings	(304,844)	-
Deficit	(108,256)	(304,773)
	555,616	663,943
	555,616	729,818

Nature of the Organization (Note 1)

Approved on behalf of the Board

[signed] "Paul Barbeau"

Director

[signed] "David Chow"

Director

The accompanying notes are an integral part of these unaudited condensed financial statements

TUP Capital Inc.**Unaudited Condensed Interim Statements of Changes in Shareholders' Equity**

(in Canadian dollars)

	Share Capital		Contributed Surplus	Warrants	Deficit	Shareholders' Equity
	Shares (number)	Amount				
Balance - February 28, 2021	4,400,000	220,000	-	-	(48,316)	171,684
Initial Public Offering	7,500,000	750,000	-	-	-	750,000
Share issuance costs		(124,218)				(124,218)
Issuance of agent warrents	-	-	-	39,750	-	39,750
Share-based compensation	-	-	63,070	-	-	63,070
Net loss	-	-	-	-	(169,811)	(169,811)
Balance - November 30, 2021	11,900,000	845,783	63,070	39,750	(218,127)	730,476
Balance - February 28, 2022	11,900,000	806,607	106,434	55,676	(304,844)	663,873
Net loss	-	-	-	-	(108,256)	(108,256)
Balance - November 30, 2022	11,900,000	806,607	106,434	55,676	(413,100)	555,617

The accompanying notes are an integral part of these unaudited condensed financial statements

TUP Capital Inc.
Unaudited Condensed Interim Statements of Comprehensive Loss and
Comprehensive Loss
(in Canadian dollars)

	Three month period ending		Nine month period ending	
	November 30, 2022	November 30, 2021	November 30, 2022	November 30, 2021
Revenue				
Interest income	3,863	644	4,331	933
Expenses				
Filing Fees	2,406	973	5,936	16,683
Insurance	-	-	15,120	15,120
Legal and Professional Fees	79,967	-	126,875	68,166
Office/General Administrative Expenses	435	1,088	4,741	3,872
Stock Based Compensation	-	-	-	63,070
	82,808	2,061	152,672	166,911
Net loss and comprehensive loss	(78,945)	(1,417)	(148,341)	(165,977)
Loss per share				
Basic and diluted	(0.01)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares	11,900,000	11,900,000	11,900,000	11,900,000

The company was incorporated under the British Columbia Business Corporations Act on October 30, 2020.

TUP Capital Inc.
Unaudited Condensed Interim Statements of Cash Flows
(unaudited, in Canadian dollars)

	Nine months ending November 30, 2022	Nine months ending November 30, 2021
Cash provided by (used for) the following activities		
Operating activities		
Net loss	(108,256)	(169,811)
Adjusted for the following non-cash items:		
Stock based compensation (Note 7)	-	-
	(108,256)	(169,811)
Changes in working capital accounts		
Subscription Receivables	-	-
Prepaid Expenses	-	-
Accounts payable and accrued liabilities	(65,875)	36,416
Cash provided by operating activities	(174,131)	(133,395)
Investing Activities		
short-term investments	51,211	(400,933)
Prepaid qualifying transaction costs	-	-
Cash used for investing activities	51,211	(400,933)
Financing activities		
Proceeds from shares issued (net of share issuance costs)	(70)	728,603
Increase (decrease) in cash	(122,991)	194,274
Cash, beginning of period	178,607	21,684
Cash, end of period	55,616	215,958

The accompanying notes are an integral part of these unaudited financial statements

1. DESCRIPTION OF BUSINESS

TUP Capital Inc. (the "Corporation") was incorporated under the British Columbia Business Corporations Act on October 30, 2020, with the intent of being classified as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The Corporation has no assets other than cash short-term guaranteed investment certificate investments, and prepaid expenses. Its purpose is to identify and evaluate potential acquisitions or businesses, with a view to completing a Qualifying Transaction, as defined in Exchange Policy 2.4. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange.

The registered office of the Corporation is located at Suite 2500 Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8, and the head office of the Corporation is located at One First Canadian Place, Suite 3400, Toronto, ON M5X 1A4.

The COVID-19 pandemic was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility as a result of this economic uncertainty. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the effectiveness of interventions by governments and central banks and its resulting impact on the Corporation.

2. BASIS OF PRESENTATION

Statement of compliance

The unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. In the opinion of management, they include all adjustments necessary for fair presentation.

These unaudited interim financial statements were authorized for issuance in accordance with a resolution of the directors on January 22, 2023.

Basis of measurement

These unaudited interim financial statements have been prepared on a going concern basis, under the historical cost convention.

Functional currency and currency of presentation

The unaudited interim financial statements are presented in Canadian dollars which is also the functional currency of the Company.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements at November 30, 2022 have been prepared in accordance with the same accounting policies as the most recent reviewed financial statements as at February 28, 2022 except as described below.

4. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and allow it to identify an appropriate business or asset in order to acquire such a business or asset.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash and short-term investments as capital. There were no changes in the Company's approach to capital management during the period ended November 30, 2022. The Company's investment policy is to hold cash in interest bearing bank accounts. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to carry out its activities for the next twelve months.

5. SHORT-TERM INVESTMENTS

Short-term investments consist of one cashable in whole or part guaranteed investment certificates that mature on Jan 20, 2023 with annual interest rate of 4%.

	Interest rate	Maturity date	November 30, 2022	
investment certificates	4.00%	January 20, 2023	\$	500,000
			\$	500,000

6. FINANCIAL INSTRUMENTS

Carrying values and fair values

Financial instruments are classified into one of the following categories: amortized cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income (FVOCI).

The carrying values of cash, short-term investments, subscription receivable and accounts payable and accrued liabilities approximate their fair values due to their relatively short periods to maturity.

6. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at November 30, 2022 the Company did not have any financial instruments remeasured at fair value. The carrying amount of cash, short-term investments, subscription receivable and account payable and accrued liabilities approximates its fair value due to the short-term maturities of these items.

It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its counterparties to fulfill their obligations on maturity periods or due to adverse market conditions. The Company's financial assets exposed to credit risk are primarily composed of cash, short-term investments and subscription receivable. Maximum exposure is equal to the carrying values of these assets. The Company's cash and short-term investments are held in a Canadian bank. The financial assets of the Company are neither past due nor impaired as at November 30, 2022.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at November 30, 2022 (November 30, 2021), the Company had a cash balance of \$55,616 (\$215,958) and short-term investments of \$500,000 (\$550,933) to settle current liabilities of \$Nil (\$36,416). To the extent that the Company believes it has sufficient liquidity to meet its current obligations, the Board of Directors may consider securing additional funds through equity or partnering transactions to finance future operations. All the Company's financial liabilities are normally paid within 30 days and are subject to normal trade terms. The Company has no source of operating cash flow to fund its evaluation potential Qualifying Transaction. Funding for a potential Qualifying Transaction requires equity or debt financing. The Company has limited financial resources and there is no assurance that funding will always be available to allow the Company to complete a Qualifying Transaction.

7. SHARE CAPITAL

Authorized

An unlimited number of common shares with no par value.

Issued and outstanding

	Number of Common Shares	Amount \$
Opening Balance, October 30, 2020	-	-
Private Placement – Common Shares	4,400,000	220,000
Ending Balance, February 28, 2021	4,400,000	220,000
Initial Public Offering	7,500,000	750,000
Share Issuance costs		(107,718)
Agent Warrants issuance costs		(55,676)
Ending Balance, November 30, 2022	11,900,000	806,607

Private Placement

During the period ended February 28, 2021, the Corporation authorized a private placement of 4,400,000 common shares at a price of \$0.05 per share for gross proceeds of \$220,000. Share issuance costs of \$Nil were associated with these subscriptions.

Initial Public Offering

On May 28, 2021 the Company completed its Initial Public Offering ("IPO"). The IPO offered 7,500,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$750,000. The Company incurred \$163,393 in cash share issuance costs associated with legal and underwriting fees and a further \$55,676 in agent warrants.

Stock option plan

The Company has established a stock option plan available for directors, officers, employees and consultants, and has authorized a stock option pool equal to 10% of the outstanding common shares. At November 30, 2022 (November 30, 2021), the available option pool was 1,190,000 (1,190,000) and outstanding stock options totaled 1,190,000 (1,190,000).

Options are granted with exercise prices equal to the fair market value of the common shares of the Company on the date of grant. Options generally vest immediately after a specific event has occurred. All options expire on the fifth anniversary of the grant. After termination of employment, unvested options are forfeited immediately and vested options expire 90 days subsequent to termination. The Board of Directors administers the stock option plan.

TUP Capital Inc.
Notes to the Condensed Interim Financial Statements
Nine months ending November 30, 2022

7. SHARE CAPITAL (CONTINUED)

A summary of the Company's stock options and changes during the periods is presented below:

		2022		2021
	Number of Options	Weighted Average Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)
Outstanding, beginning of year	1,190,000	-	-	-
Granted		0.10	1,190,000	0.10
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding, November 30, 2022	1,190,000	0.10	1,190,000	0.10
Exercisable, November 30, 2022	1,190,000	0.10	1,190,000	0.10

The following table summarizes the options outstanding and exercisable:

For the fiscal quarter ended November 30, 2022				For the fiscal quarter ended November 30, 2021			
Options Outstanding		Options Exercisable		Options Outstanding		Options Exercisable	
Exercise Price (\$)	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Number Exercisable	Exercise Price (\$)	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Number Exercisable
\$ 0.10	1,190,000	8.5	1,190,000	\$ 0.10	1,190,000	9.5	1,190,000

The fair value of options granted is determined using the Black-Scholes option pricing model. All options granted during as of May 31, 2021 are fully vested and expire May 31, 2031. The underlying expected volatility was determined by reference to comparable entities with historical share data over the expected life of the options. The following weighted average assumptions were used for options granted in the period:

Period ended November 30, 2022

Risk-free interest rate	1.49%
Expected life of options (years)	10
Expected annualized volatility	100%
Expected dividend yield	N/A
Estimated forfeiture rate	0%
Weighted average fair value of each option	\$0.09

Share-based compensation is recorded as an increase to contributed surplus and is transferred to share capital when the underlying options are exercised.

7. SHARE CAPITAL (CONTINUED)

Agent warrants

On May 28, 2021, the Company granted 750,000 warrants as part of the units sold through their initial public offering. Each warrant is exercisable into one common share of the Company at a price of \$0.10 per share and expires on May 28, 2023.

	Warrants Outstanding	Weighted Average Exercise Price
	#	\$
Outstanding, beginning of year	-	-
Granted	750,000	0.10
Exercised	-	-
Expired/cancelled	-	-
Outstanding, November 30, 2022	750,000	0.10

The estimated fair value of warrants granted was determined using the Black-Scholes option pricing model and was recorded in the warrants reserve in the amount of \$55,676. The underlying expected volatility was determined by reference to comparable entity share data over the expected life of the warrants. The following weighted average assumptions were used for warrants as of November 30, 2022:

	Period ended November 30, 2021
Risk-free interest rate	0.90%
Expected life of options (years)	5
Expected annualized volatility	100%
Expected dividend yield	N/A
Estimated forfeiture rate	0%
Weighted average fair value of each option	\$0.07

8. KEY MANAGEMENT PERSONNEL AND DIRECTOR COMPENSATION

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and are defined as the Chief Officers of the Company and the Company's Board of Directors. The Company's compensation program is administered by the Board of Directors and specifically provides for total compensation for executive officers, which is a combination of base salary, performance-based incentives and benefit programs that reflect aggregated competitive pay in light of business achievement, fulfillment of individual objectives and overall job performance. Directors, executive officers and employees participate in the Company's stock option plans.

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Notes to the Condensed Interim Financial Statements
Nine months ending November 30, 2022

8. KEY MANAGEMENT PERSONNEL AND DIRECTOR COMPENSATION (CONTINUED)

The following summarizes key management personnel and directors' compensation for the Period ending November 30, 2022:

	Period ending November 30, 2022	Period ending November 30, 2021
	\$	\$
Salaries and other compensation	-	-
Share-based compensation	-	106,434

During the Nine months ending November 30, 2022 (November 30, 2021) the Company was invoiced Nil (\$1,978,531) by a Company (hyperNET Inc.) controlled by a director (Paul Barbeau)